

**PUBLIC EMPLOYEES' RETIREMENT BOARD**  
**100 N Park, Rm 201**  
**Helena MT 59620**

**Board Legislative Committee Minutes**  
**Monday, June 4, 2012**  
**3:00 pm**

Committee Members (present via telephone):

Terrence Smith, Chair  
Bob Bugni, Member  
Scott Moore, Member

Other Board Members (present via telephone):

Dianna Porter

Staff:

Roxanne Minnehan (present via telephone)  
Melanie Symons  
Patricia Davis  
Kate Talley  
Flora Sebens

- I. Roll Call**
- II. Public/Member Comment** on any subject of interest to the Board not on the agenda.  
No public comment.
- III. Executive Director Report** – background information and objective
  - A. PERS Defined Contribution Plan Study – dissemination

Roxanne Minnehan presented the document, “Dollars and Sense”, which was drafted on behalf of a request from the Board for the Legislature regarding impacts of going to an all DC Plan. Ms. Minnehan will hand this document out at next week’s joint SAVA and Legislative Finance Committee (LFC) meeting. Chairman Terry Smith questioned if we should include “Adjustable GABA” as one of the answers to the pension problem. Patty Davis explained that she had taken this information from an NIRS publication but it did not have to go into this document if the Board was not comfortable with it. Member Scott Moore felt the Board needed to be careful what information was put out to the public because it could be misinterpreted. He does not feel the Board should touch on this particular subject at this time. Ms. Davis responded that the Board makes the argument that switching to an all DB Plan is costly to the State, but they do not offer any solutions. Therefore, staff put what they felt were potential solutions at the bottom of the document, but this does not mean it has to stay there. It was agreed that “Adjustable GABA” would be taken off of the bottom of the Dollar and Sense document.

Ms. Symons stated that we had made some adjustments to long term funding at the last legislative session and suggested including this in this document to show what we’ve already done.

Ms. Davis pointed out that the “Dollars and Sense” document lists what the cost are going to be based on the Cheiron study, but stated that there are also other costs mentioned in this report, as well. She asked if the Board’s intent with this document was to explain the immediate costs to the State, or if they also want to point out the long-term costs of going to a DC Plan, because the costs of going to a DC Plan do not just happen within the first year.

Ms. Jenny Weigand, Education Supervisor, was asked for her input on the “Dollars and Sense” document and the press release. Ms. Weigand feels that in order to write an effective, clear and precise press release that she needs more direction from the Board as to exactly what message they want sent out to the public.

It was agreed the Legislative Committee would schedule another conference call on Thursday, June 7, 2010, at 3:00 p.m. to discuss what the Board wanted their message to be in both the “Dollars and Sense” document and the press release.

#### B. LFC/SAVA Joint Meeting

Roxanne received a copy of a document written by Sheri Scurr, Research Analyst for the Legislative Services Division, called “Long-Term Pension Benefit and Funding Policy Alternatives.” This document will be presented at next week’s SAVA and LFC meetings by Dave Boyer. Ms. Scurr indicated she is willing to meet with staff and/or the Board regarding what her plans are with this document, but because there is so little time it is unclear how to get this information.

Ms. Scurr’s intention with this document is to get the Legislature to form a plan of action based on policy decisions of what they want the retiree plans to look like and how to achieve the goal of making them well funded. This document is in draft form as of right now. Roxanne has scheduled a meeting on Wednesday afternoon to discuss the document with Ms. Scurr.

It was agreed the Board would review Sheri Scurr’s document further and provide their input to Flora by no later than Wednesday afternoon for further discussion during Thursday’s Legislative Committee conference call.

There was discussion whether or not Roxanne should forward Sheri Scurr’s document to Cheiron for their input, as it is suspected that SAVA will ask the Board to do this anyway. This could end up costing quite a bit to have Cheiron review the entire document and provide input on all of it. Chairman Terry Smith suggested sending it to Cheiron to get an estimate on how much it would cost for them to review the document and provide their input.

*Motion: Chairman Terrence Smith moved to send Sheri Scurr’s document, “Long-Term Pension Benefit and Funding Policy Alternatives,” to Cheiron to get an estimate on the cost of their review and input on the document.*

*Second: Member Scott Moore*

*Vote: 3/0*

C. Input on Funding Goals

D. Normal Retirement Age

The Internal Revenue Service continues to request that we ensure statutes define that a benefit is non-forfeitable at “normal retirement age”. We had planned to accomplish this through rule. Board suggested we find out if the IRS would be amenable to rule. We just received feedback that they were; however, David Niss, the Legislative Services Division attorney who reviews our rules, stated he would not be able to review the proposed rules within the IRS timeline. Ms. Melanie Symons and Kate Talley proposed language for definition of “normal retirement age” to Ice Miller and they provided their input on it. It was then submitted to the IRS Compliance Officer for his input but we have not heard back from them yet. This language only pertains to PERS at this time, but once we receive approval for PERS we will then submit it to all of the systems. It essentially states that the benefit that is available to people at normal retirement is nonforfeitable. Whatever the IRS comes back with what our “normal retirement age” is will be included in the Qualifications Bill.

E. 2013 Legislation

The staff continues to identify statutes for bill drafting. At this time the list of 2013 Legislation includes:

- Clean-up
- Working Retiree
- Qualifications
- 457 Plan Provisions
- Funding Request
- Disability/Housekeeping
- Salary Spiking

F. Other Legislation issues

There was no discussion regarding other Legislation issues.

**IV. Adjournment**

The meeting adjourned at 4:05 p.m.